

Senate File 303

S-5001

1 Amend Senate File 303 as follows:

2 1. Page 1, before line 1 by inserting:

3 <Section 1. Section 422.5, subsection 3, paragraph  
4 a, Code 2014, is amended to read as follows:

5 a. The tax shall not be imposed on a resident or  
6 nonresident whose net income, as defined in section  
7 422.7, is thirteen thousand five hundred dollars or  
8 less in the case of married persons filing jointly  
9 or filing separately on a combined return, heads of  
10 household, and surviving spouses or nine thousand  
11 dollars or less in the case of all other persons;  
12 but in the event that the payment of tax under this  
13 division would reduce the net income to less than  
14 thirteen thousand five hundred dollars or nine thousand  
15 dollars as applicable, then the tax shall be reduced to  
16 that amount which would result in allowing the taxpayer  
17 to retain a net income of thirteen thousand five  
18 hundred dollars or nine thousand dollars as applicable.  
19 The preceding sentence does not apply to estates or  
20 trusts. For the purpose of this subsection, the entire  
21 net income, including any part of the net income not  
22 allocated to Iowa, shall be taken into account. For  
23 purposes of this subsection, net income includes all  
24 amounts of pensions or other retirement income, except  
25 for military retirement pay excluded under section  
26 422.7, subsection 31A, paragraph "a", received from any  
27 source which is not taxable under this division as a  
28 result of the government pension exclusions in section  
29 422.7, or any other state law. If the combined net  
30 income of a husband and wife exceeds thirteen thousand  
31 five hundred dollars, neither of them shall receive  
32 the benefit of this subsection, and it is immaterial  
33 whether they file a joint return or separate returns.  
34 However, if a husband and wife file separate returns  
35 and have a combined net income of thirteen thousand  
36 five hundred dollars or less, neither spouse shall  
37 receive the benefit of this paragraph, if one spouse  
38 has a net operating loss and elects to carry back or  
39 carry forward the loss as provided in section 422.9,  
40 subsection 3. A person who is claimed as a dependent  
41 by another person as defined in section 422.12 shall  
42 not receive the benefit of this subsection if the  
43 person claiming the dependent has net income exceeding  
44 thirteen thousand five hundred dollars or nine thousand  
45 dollars as applicable or the person claiming the  
46 dependent and the person's spouse have combined net  
47 income exceeding thirteen thousand five hundred dollars  
48 or nine thousand dollars as applicable.

49 Sec. \_\_\_\_\_. Section 422.5, subsection 3B, paragraph  
50 a, Code 2014, is amended to read as follows:

1 a. The tax shall not be imposed on a resident or  
2 nonresident who is at least sixty-five years old on  
3 December 31 of the tax year and whose net income,  
4 as defined in section 422.7, is thirty-two thousand  
5 dollars or less in the case of married persons  
6 filing jointly or filing separately on a combined  
7 return, heads of household, and surviving spouses or  
8 twenty-four thousand dollars or less in the case of all  
9 other persons; but in the event that the payment of  
10 tax under this division would reduce the net income to  
11 less than thirty-two thousand dollars or twenty-four  
12 thousand dollars as applicable, then the tax shall be  
13 reduced to that amount which would result in allowing  
14 the taxpayer to retain a net income of thirty-two  
15 thousand dollars or twenty-four thousand dollars as  
16 applicable. The preceding sentence does not apply to  
17 estates or trusts. For the purpose of this subsection,  
18 the entire net income, including any part of the net  
19 income not allocated to Iowa, shall be taken into  
20 account. For purposes of this subsection, net income  
21 includes all amounts of pensions or other retirement  
22 income, except for military retirement pay excluded  
23 under section 422.7, subsection 31A, paragraph "a",  
24 received from any source which is not taxable under  
25 this division as a result of the government pension  
26 exclusions in section 422.7, or any other state law.  
27 If the combined net income of a husband and wife  
28 exceeds thirty-two thousand dollars, neither of them  
29 shall receive the benefit of this subsection, and it  
30 is immaterial whether they file a joint return or  
31 separate returns. However, if a husband and wife file  
32 separate returns and have a combined net income of  
33 thirty-two thousand dollars or less, neither spouse  
34 shall receive the benefit of this paragraph, if one  
35 spouse has a net operating loss and elects to carry  
36 back or carry forward the loss as provided in section  
37 422.9, subsection 3. A person who is claimed as a  
38 dependent by another person as defined in section  
39 422.12 shall not receive the benefit of this subsection  
40 if the person claiming the dependent has net income  
41 exceeding thirty-two thousand dollars or twenty-four  
42 thousand dollars as applicable or the person claiming  
43 the dependent and the person's spouse have combined  
44 net income exceeding thirty-two thousand dollars or  
45 twenty-four thousand dollars as applicable.>

46 2. Page 1, line 1, by striking <2013> and inserting  
47 <2014>

48 3. Page 1, line 4, by striking <resident>

49 4. Page 1, line 10, by striking <2013> and  
50 inserting <2014>

- 1 5. Title page, line 1, by striking <of a resident>
- 2 6. By renumbering as necessary.

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COMMITTEE ON WAYS AND MEANS  
JOE BOLKCOM, CHAIRPERSON